

COLLEGE STUDENT AID COMMISSION[283]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 261.3, the Iowa College Student Aid Commission hereby gives Notice of Intended Action to adopt new Chapter 11, “Iowa Tuition Grant Program—For-Profit Institutions,” Iowa Administrative Code.

The proposed chapter includes guidance for the administration of new Iowa Code section 261.16A enacted in 2017 Iowa Acts, House File 642, sections 15 and 17. Sections 15 and 17 provide eligibility requirements for student and institutional participation in the Iowa Tuition Grant Program for eligible students attending Iowa for-profit institutions.

Interested persons may submit comments orally or in writing by 4:30 p.m. on July 11, 2017, to the Executive Director, Iowa College Student Aid Commission, 430 East Grand Avenue, Third Floor, Des Moines, Iowa 50309-1920. Written comments also may be sent by fax to (515)725-3401, by e-mail to julie.leeper@iowa.gov, or via the Iowa administrative rules Web site at <https://rules.iowa.gov>.

The Commission does not intend to grant waivers under the provisions of these rules.

After analysis and review of this rule making, the Commission finds that there is no impact on jobs.

This amendment is intended to implement Iowa Code chapter 261 as amended by 2017 Iowa Acts, House File 642, sections 15 and 17.

The following amendment is proposed.

Adopt the following **new** 283—Chapter 11:

CHAPTER 11

IOWA TUITION GRANT PROGRAM—FOR-PROFIT INSTITUTIONS

283—11.1(261) Tuition grant based on financial need to Iowa residents enrolled at eligible private institutions of postsecondary education in Iowa.

11.1(1) *Financial need.* The need of an applicant for financial assistance under the Iowa tuition grant program—for-profit institutions shall be evaluated annually on the basis of a confidential statement of family finances filed on a form designated by the commission. For the purposes of determining financial need, the commission has adopted the use of the Free Application for Federal Student Aid (FAFSA), a federal form used to calculate a formula developed by the U.S. Department of Education, the results of which are used to determine relative need. The FAFSA must be received by the processing agent by the date specified in the application instructions.

11.1(2) *Tuition and mandatory fees.* Tuition and mandatory fees shall be defined as those college costs paid annually by all students enrolled in eligible institutions on a full-time basis as reported annually to the commission by each participating eligible institution. Each eligible institution also will provide annually its rates for part-time tuition and fees to the commission.

11.1(3) *Student eligibility.* A recipient must be an Iowa resident enrolled for at least three semester hours, or the quarter- or clock-hour equivalent, in a program of study eligible for federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. “Iowa resident” means an individual who meets the residency requirements established in 283—Chapter 10.

a. An eligible student attending a school defined in 11.2(1)“*a*” must be enrolled in a program of study that leads to a degree.

b. An eligible student attending a school defined in 11.2(1)“*b*” must be enrolled in a program of study that prepares the student for licensure as a barber in the state of Iowa as provided in Iowa Code

chapter 158, or enrolled in a cosmetology arts and sciences program of study that prepares the student for licensure in the state of Iowa as provided in Iowa Code chapter 157.

11.1(4) *Extent of grant.* Iowa tuition grants are provided during the traditional nine-month academic year generally defined as September through May.

a. Students attending institutions defined in 11.2(1) “*a*” may receive no more than 8 semesters of full-time Iowa tuition grants or 16 part-time semesters.

b. Students attending institutions defined in 11.2(1) “*b*” may receive no more than 4 semesters, or the quarter- or clock-hour equivalent, of full-time Iowa tuition grants or 8 part-time semesters, or the quarter- or clock-hour equivalent.

c. Students may receive a combined total of no more than 8 full-time semesters or 16 part-time semesters under the Iowa tuition grant for-profit and not-for-profit programs.

d. A grant for summer enrollment may be provided if the recipient is enrolled in a commission-approved accelerated program that integrates summer attendance. The purpose of restricting summer Iowa tuition grants is to ensure that students who take classes during the summer do not exhaust Iowa tuition grant eligibility prior to completing four-year degree programs at eligible institutions, defined in 11.2(1) “*a*,” or prior to completing barber or cosmetology arts and sciences programs of study at eligible institutions, defined in 11.2(1) “*b*.”

11.1(5) *Priority for grants.* Applicants are ranked in order of the estimated amount which the family reasonably can be expected to contribute toward college expenses, and awards are granted to those who demonstrate need in order of expected family contribution, from lowest to highest, insofar as funds permit.

11.1(6) *Award notification.* A grant recipient is notified of the award by the eligible institution to which application is made. Each award notification must clearly indicate award amounts, the state programs from which funding will be received, and that funding is contingent upon the availability of state funds. Any award notification provided by an eligible institution on probation with the accrediting agency must be made contingent upon the eligible institution’s maintaining affiliation with the accrediting agency. The eligible institution is responsible for completing necessary verification and for coordinating other aid to ensure compliance with student eligibility requirements and allowable award amounts. The eligible institution reports changes in student eligibility to the commission.

11.1(7) *Award transfers and adjustments.* Recipients are responsible for promptly notifying the appropriate eligible institution of any change in enrollment or financial situation. The eligible institution will make necessary changes and notify the commission.

11.1(8) *Restrictions.*

a. A student who is in default on a Stafford Loan, SLS Loan, or a Perkins/National Direct/National Defense Student Loan or who owes a repayment on any Title IV grant assistance shall be ineligible for assistance under the Iowa tuition grant program. The student regains eligibility under this rule by providing documentation to the institution that the student has regained eligibility under Title IV of the Higher Education Act of 1965, as amended.

b. A student who is in default on a state award or owes a repayment on any state award is ineligible for assistance under the Iowa tuition grant program. Eligibility for state aid may be reinstated upon payment in full of the delinquent obligation or by commission ruling on the basis of adequate extenuating evidence presented in an appeal under the procedures set forth in 283—Chapters 4 and 5. Credits that a student receives through “life experience credit” and “credit by examination” are not eligible for tuition grant funding.

283—11.2(261) Tuition grant institutional eligibility requirements.

11.2(1) *Eligible institution.* An institution requesting participation in the Iowa tuition grant program must apply to the college student aid commission using the commission’s designated application.

a. A college or university participating in the Iowa tuition grant program under 2017 Iowa Acts, House File 642, section 15, must:

(1) Be accredited by the Higher Learning Commission (HLC); and

(2) Be an institution of higher learning located in Iowa which is operated privately and not controlled or administered by any state agency or any subdivision of the state, which is not exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and which meets all of the criteria described in Iowa Code section 261.9(1) “d” through “i”; and

(3) Annually provide matching aggregate institutional financial aid to Iowa tuition grant recipients equal to a required percentage of the amount received by its students as described under 2017 Iowa Acts, House File 642, section 15 (institutional financial aid qualifying as match includes only institutional financial aid provided to students in periods of enrollment during which students are also receiving Iowa tuition grants); and

(4) Effective January 8, 2010, have purchased an accredited private institution that was exempt from taxation under Section 501(c) of the Internal Revenue Code, or have students who were eligible to receive tuition grants in the fiscal year beginning July 1, 2003; and

(5) Be located in Iowa. “Located in Iowa” means a college or university that is accredited by the Higher Learning Commission, that has made a substantial investment in a permanent Iowa campus and staff, that offers a full range of courses leading to the degrees offered by the institution as well as a full range of student services, and that is not required to register under Iowa Code chapter 261B.

b. A school of cosmetology or barbering participating in the Iowa tuition grant program under 2017 Iowa Acts, House File 642, section 15, must:

(1) Be a barber school licensed under Iowa Code section 158.7 or a school of cosmetology arts and sciences licensed under Iowa Code chapter 157 and be accredited by a national accrediting agency recognized by the United States Department of Education; and

(2) Be an institution that is not exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and be operated privately and not controlled or administered by any state agency or any subdivision of the state and meet all of the criteria described in Iowa Code section 261.9(1) “d” through “i”; and

(3) For the fiscal year beginning July 1, 2017, provide a matching aggregate amount of institutional financial aid equal to at least 75 percent of the amount received by the institution’s students for Iowa tuition grant assistance under 2017 Iowa Acts, House File 642, section 17. For the fiscal year beginning July 1, 2018, provide a matching aggregate amount of institutional financial aid equal to at least 85 percent of the amount received in that fiscal year. Commencing with the fiscal year beginning July 1, 2019, and each succeeding fiscal year, the matching aggregate amount of institutional financial aid shall be at least equal to the match provided by eligible institutions under 2017 Iowa Acts, House File 642, section 15 (institutional financial aid qualifying as match includes only institutional financial aid provided to students in periods of enrollment during which students are also receiving Iowa tuition grants); and

(4) Be located in Iowa. “Located in Iowa” means a school that is accredited by a national accrediting agency recognized by the United States Department of Education, that has made a substantial investment in a permanent Iowa campus and staff, that offers a full range of courses preparing students for a professional license, and that is not required to register under Iowa Code chapter 261B.

11.2(2) Processing institutional applications for participation. Application forms will be provided by the commission.

a. Applicants are required to provide the commission with documentation establishing eligibility as described in 11.2(1).

b. Applicants seeking to participate in the Iowa tuition grant program must submit applications by October 1 of the year prior to the beginning of the academic year for which they are applying for participation.

c. Applicants must submit written plans outlining academic programs that integrate summer attendance in accelerated programs prior to making summer awards. If the summer program is approved by the commission, an applicant’s students may receive Iowa tuition grants beginning in the summer following approval.

d. Academic programs at eligible institutions defined in 11.2(1) “a” which allow full-time students to complete four-year baccalaureate programs in less than the normal prescribed time period while taking

the same courses as students completing the same degree during a traditional four-year time period will be approved for summer Iowa tuition grants.

e. Academic programs at eligible institutions defined in 11.2(1)“*b*” which integrate summer attendance into the barber or cosmetology arts and sciences programs of study and allow full-time students to complete the program in less than the time period it would take to complete the same program of study without summer attendance will be approved for summer Iowa tuition grants.

f. A summer academic program may be defined for a group of students or may be a self-directed program in which a student has received approval from appropriate officials of the eligible institution.

11.2(3) *Notice of change of status.* Any eligible institution which fails to meet the criteria set forth in 11.2(1) must immediately notify the commission. Failure to comply with this notice of change requirement may result in the eligible institution’s being required to return Iowa tuition grant funds to the commission.

11.2(4) *Review of eligibility.*

a. The commission shall periodically, at least every three years, investigate and review compliance of institutions participating in the Iowa tuition grant program—for-profit institutions with criteria described in Iowa Code section 261.9 and this rule.

b. If the commission finds that an eligible institution fails to comply with the provisions of Iowa Code section 261.9 and this rule, participation in the Iowa tuition grant program—for-profit institutions shall be suspended.

11.2(5) *Reporting requirements.* Every eligible institution participating in the Iowa tuition grant program shall submit an annual report which includes student and faculty information, enrollment and employment information, the amount of institutional matching financial aid dollars, and other information required by the commission as described in Iowa Code section 261.9.